

## Message Text

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ACTION EA-14

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NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 OMB-01 AID-20 CU-05 EB-11 DRC-01 /128 W

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R 011212Z AUG 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 5579

INFO AMCONSUL CHIANG MAI

AMCONSUL UDORN

AMCONSUL SONGKHLA UNN

CINCPAC

C O N F I D E N T I A L BANGKOK 12489

E.O 11652: GDS

TAGS: PGOV, PINT, TH

SUBJECT: GOVERNMENT STABILITY AND THE TRIO ASSETS ISSUE

CINCPAC FOR POLAD

REF: A. BANGKOK 12409; B. FBIS D010215Z AUG 74;

C. BANGKOK 12087; STATE 166216

THE RESOLUTION OF THE CRISIS

1. WE HAVE LEARNED THAT PRIME MINISTER SANYA WILL ANNOUNCE ON THE EVENING OF AUGUST 1 (BANGKOK TIME) THAT WILL INVOKE ARTICLE 17 TO CONFISCATE ALL ASSETS OF THE DEPARTED TRIO. HE WILL DO THIS INDEPENDDLY OF THE NATIONAL LEGISLATIVE ASEMBLY (NLA) BILL OF JULY 18 WHICH THE KING HAS NOT YET SIGNED ANYWAY.

2. SANYA PLANS TO SET UP A SEVEN MAN REVIEW CMMITTEE WHICH WILL MEET WITHIN 60 DAYS WITH REPRESENTATIVES OF THE KITTIKHACHON AND CHARUSATHIAN FAMLIES TO DETERMINE WHCH ASSETS THE TRIO ACQUIRED LEGALLY, AND WHICH  
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ILLEGALLY. THE GOVERNMENT WILL THEN RETURN TO THE OWNERS

THE LEGALLY ACQUIRED ASSETS AFTER DEDUCTING ALL APPROPRIATE TAXES AND PENALTIES.

3. THE NLA APPROVED THIS FORMULA IN A CLOSED DOOR SESSION ON THE MORNING OF AUGUST 1.

4. COMMENT: EVER SINCE THIS LITTLE "TEMPEST IN A TEAPOT" HIT BANGKOK ON JULY 25, WE HAVE BEEN UNABLE TO SUPPRESS THE FEELING THAT, AS A TRUE CRISIS, THERE WAS LESS TO IT THAN MET THE EYE. GOVERNMENT REPRESENTATIVES SAT IN WITH THE NLA COMMITTEE THAT REVIEWED THE BILL BETWEEN ITS FIRST AND SECOND READINGS AND KNEW PERFECTLY WELL THAT THE ISSUE WAS PENDING. WHILE MLA MEMBER COL. SOMKIT SISANGKHOM ATTACHED HIS AMENDMENT ONLY AT THE VERY LAST MINUTE, IT DID NOT CHANGE THE CHARACTER OF THE BILL ALL THAT MUCH. DISCUSSIONS WITH NLA MEMBERS SUGGEST THAT THEY WERE GENUINELY QUITE SURPRISED BY THE PRIME MINISTER'S STRONG REACTION TO IT. INTERESTINGLY ENOUGH, IN VIEW OF THE TEMPEST THE BILL HAS CREATED, ONE FULL WEEK PASSED BETWEEN THE NLA VOTE AND THE LEAK TO THE "BANGKOK POST" WHICH LAUNCHED THE WHOLE BROUHAHA.

5. THE SANYA GOVERNMENT HAS LONG KNOWN IT WOULD EVENTUALLY HAVE TO DO SOMETHING ABOUT THE TRIO'S ASSETS. THE POPULAR MOOD IN THAILAND HAS STRONGLY SUPPORTED CONFISCATION EVER SINCE OCTOBER 15, 1973. AT THE SAME TIME, THE MILITARY IS STRONGLY OPPOSED TO CONFISCATION BECAUSE OF THE DANGEROUS PRECEDENT IT WOULD SET FOR ANYONE WHOSE WEALTH GREATLY EXCEEDS HIS VISIBLE MEANS OF SUPPORT.

6. THE NLA'S ROLE IN THIS WHOLE AFFAIR HAS GREATLY ENHANCED ITS IMAGE OF ASSERTIVENESS, AND IF ANYTHING HAS ENLARGED ITS ROLE AS A DECISION-MAKING BODY WITHIN THE GOVERNMENT. THE PRECEDENT OF OBLIGING THE GOVERNMENT TO ACT IN A WAY IT WOULD NOT OTHERWISE HAVE CHOSEN WILL BE EXTREMELY IMPORTANT IN THE PARLIAMENTARY PERIOD TO COME. THE NLA, BY PASSING ITS BILL, HAS WON CONSIDERABLE POLITICAL MILEAGE THAT CAN ONLY HELP THOSE MEMBERS WHO PLAN TO RUN IN THE UPCOMING ELECTIONS.

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7. WHILE THE RESOLUTION OF THIS CRISIS COMES AT SOME COST TO SANYA'S LEGAL PRINCIPLES AND PROCLIVITIES TO FOLLOW DUE PROCESS OF LAW, IT ENABLES HIM TO ACCEDE TO WIDELY HELD POPULAR WILL WHILE AT THE SAME TIME GIVING THE TRIO AS FAIR A SHAKE AS THEY WOULD BE LIKELY TO GET THROUGH ANY REGULAR LEGAL PROCEEDINGS AVAILABLE IN THAILAND.

8. IT ALMOST GOES WITHOUT SAYING THAT NEITHER THE  
FAMILIES INVOLVED NOR THE PUBLIC WILL BE COMPLETELY  
SATISFIED BY THE ULTIMATE DIVISION OF THE BOUNTY BETWEEN  
THE TRIO AND THE NATIONAL COFFERS. HOEVER MUCH THE  
GOVERNMENT CONFISCATES OR TAKES AS TAXES, THE PUBLIC  
WILL PROBABLY CONSIDER ITSELF CHEATED. LIKEWISE, THE  
FAMILITES INVOLVED WILLLL ALMOST CERTAINLY BE STUNNED BY THE  
TAX BILL EVEN IF THEY GET OFF RATHER LIGHTLY ON THE LEGAL  
ARBITRATION BUT BOTH SIDES WILL PROBABLY FIND THE SOLUTION  
ACCEPTABLE ONCE THE INITIAL INDIGNATION DIES DOWN.  
KINTNER

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